

ELLI MAN REPORT

JUNE 2016

MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan,
Brooklyn and Queens Rentals

MANHATTAN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

2.2%

VACANCY

Vacancy Rate

0.23%

NEW LEASES

Excludes Renewals

33.5%

OP+ CONCESSIONS

Market Share

5.8%

MARKETING TIME

Days on Market

1 day

NEGOTIABILITY

Listing Discount

0.9%

- All price indicators moved higher
- Inventory, listing discount and days on market increased
- Higher vacancy rate and landlord concessions

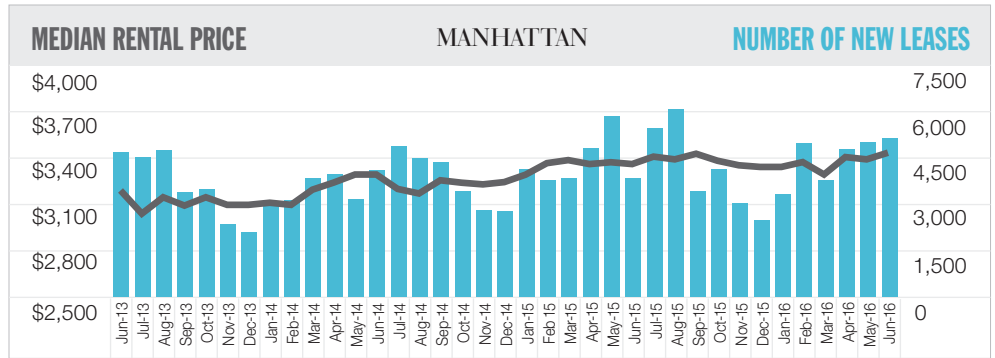
The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and provide comprehensive analysis of the results.

Manhattan Rental Market		JUN-16	%Δ (mo)	MAY-16	%Δ (yr)	JUN-15
Average Rental Price		\$4,134	2.6%	\$4,030	3.2%	\$4,007
Rental Price per Sq Ft		\$67.74	3.2%	\$65.63	24.5%	\$54.42
Median Rental Price		\$3,444	1.3%	\$3,400	2.2%	\$3,369
Number of New Leases		5,203	2.0%	5,099	33.5%	3,897
Days on Market (From Original List Date)		39	-9.3%	43	2.6%	38
Listing Discount (From Original List Price)		2.0%		2.1%		1.1%
Listing Inventory		7,442	8.5%	6,861	27.3%	5,845
Vacancy Rate		2.30%		2.51%		2.07%
Manhattan Rental w/Concessions		JUN-16	%Δ (mo)	MAY-16	%Δ (yr)	JUN-15
Median Rental Price		\$3,413	1.6%	\$3,358	1.9%	\$3,350
Share of New Leases w/OP + Concessions (%)		9.7%		12.6%		3.9%
Free Rent/Owner Paid (Mos)		1.1	-8.3%	1.2	-35.3%	1.7
Manhattan Rental Market by Size		JUN-16	%Δ (mo)	MAY-16	%Δ (yr)	JUN-15
Studio -	Average Rental Price	\$2,688	2.9%	\$2,612	1.4%	\$2,652
	Rental Price per Sq Ft	\$66.93	0.2%	\$66.80	13.6%	\$58.93
	Median Rental Price	\$2,611	1.9%	\$2,562	1.4%	\$2,575
	Number of New Leases	1,260	8.7%	1,159	32.8%	949
1-Bedroom -	Average Rental Price	\$3,528	1.0%	\$3,492	0.8%	\$3,500
	Rental Price per Sq Ft	\$63.72	0.6%	\$63.36	12.0%	\$56.90
	Median Rental Price	\$3,449	0.7%	\$3,424	2.2%	\$3,374
	Number of New Leases	2,111	-1.4%	2,141	32.9%	1,589
2-Bedroom -	Average Rental Price	\$4,908	0.7%	\$4,875	0.8%	\$4,867
	Rental Price per Sq Ft	\$67.16	4.7%	\$64.16	26.8%	\$52.98
	Median Rental Price	\$4,134	-2.1%	\$4,223	-3.1%	\$4,267
	Number of New Leases	1,303	2.6%	1,270	36.3%	956
3+ Bedroom -	Average Rental Price	\$8,087	10.9%	\$7,289	13.0%	\$7,154
	Rental Price per Sq Ft	\$75.92	5.7%	\$71.82	55.6%	\$48.78
	Median Rental Price	\$5,814	7.3%	\$5,420	12.7%	\$5,160
	Number of New Leases	529	0.0%	529	31.3%	403

After the decline in median rental price last March that followed two years of annual increases, the metric has shown modest gains during the three subsequent months. Median rental price rose 2.2% to \$3,444 from the same period a year ago, the second highest monthly median rent in at least 8 years. After considering rent concessions, the net effective

median rent was \$3,413, up 1.9% from the prior year. Average rental price followed a similar pattern, up 3.2% to \$4,134 over the same period. Landlord concessions that included items such as free rent and broker commissions had a 9.4% market share, more than double the 3.9% market share in the prior year. New leases surged 33.5% to 5,203 as tenants continue to

push back increases offered at time of renewal. The vacancy rate rose to 2.3% from 2.07% in the same month a year ago and to the highest level for June in four years. Days on market, the number of days from the original list date to the lease date, was 39 days, 1 day longer than during the same month a year ago. Listing discount, the percentage difference between the original list price and the rental price, rose to 2% from 1.1% a year ago.



PROPERTY TYPE

- Rent growth for “non-doorman” edged higher than “doorman” rents
- New development rents slipped as loft rents increased

Manhattan Rental Market By Property Type	JUN-16	%Δ (MO)	MAY-16	%Δ (YR)	JUN-15
Doorman Median Rental Price	\$3,800	1.2%	\$3,755	-0.2%	\$3,806
Non-Doorman Median Rental Price	\$2,951	0.0%	\$2,950	0.8%	\$2,927
Loft Median Rental Price	\$5,666	-12.9%	\$6,504	7.7%	\$5,259
New Development Median Rental Price	\$4,316	-7.7%	\$4,676	-2.4%	\$4,423

BY PRICE

- Unusual jump in luxury median rent
- Entry level rent moved higher than mid tier and entry tier
- Luxury rent threshold was unchanged

Manhattan Rental Market By Price	JUN-16	%Δ (MO)	MAY-16	%Δ (YR)	JUN-15
Luxury (Top 10%) - Average Rental Price	\$10,625	7.7%	\$9,861	7.7%	\$9,866
Luxury (Top 10%) - Rental Price per Sq Ft	\$80.91	6.7%	\$75.85	9.3%	\$74.02
Luxury (Top 10%) - Median Rental Price	\$8,475	6.9%	\$7,929	6.8%	\$7,936
Luxury (Top 10%) - Number of New Leases	525	2.9%	510	34.6%	390
Luxury (Top 10%) - Entry Threshold	\$6,307	0.1%	\$6,302	2.8%	\$6,138
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,434	0.0%	\$4,435	-0.7%	\$4,465
Mid Tier (2nd 30%) - Median Rental Price	\$3,252	0.1%	\$3,249	1.6%	\$3,200
Entry Tier (1st 30%) - Median Rental Price	\$2,360	0.0%	\$2,360	2.6%	\$2,300

BY LOCATION

DOWNTOWN

- Surge in new leases
- Vacancy rate moved higher

Downtown Market Matrix	JUN-16	%Δ (MO)	MAY-16	%Δ (YR)	JUN-15
Median Rental Price	\$3,740	1.2%	\$3,695	0.4%	\$3,726
Number of New Leases	2,302	1.0%	2,279	31.2%	1,755
Vacancy Rate	2.36%		2.52%		1.96%

EAST SIDE

- New leases up sharply
- Median rent increased

East Side Market Matrix	JUN-16	%Δ (MO)	MAY-16	%Δ (YR)	JUN-15
Median Rental Price	\$3,203	-1.4%	\$3,249	2.3%	\$3,131
Number of New Leases	1,373	11.6%	1,230	48.3%	926
Vacancy Rate	2.14%		1.92%		1.20%

WEST SIDE

- Nominal decline in median rent
- Vacancy rate declined

West Side Market Matrix	JUN-16	%Δ (MO)	MAY-16	%Δ (YR)	JUN-15
Median Rental Price	\$3,346	-1.6%	\$3,400	-0.5%	\$3,364
Number of New Leases	1,074	-5.0%	1,130	25.8%	854
Vacancy Rate	2.02%		1.83%		2.87%

UPTOWN

- Median rent moved higher
- More new leases signed

Uptown Market Matrix	JUN-16	%Δ (MO)	MAY-16	%Δ (YR)	JUN-15
Median Rental Price	\$2,370	0.0%	\$2,370	6.1%	\$2,233
Number of New Leases	454	-1.3%	460	25.4%	362
Vacancy Rate	2.75%		4.34%		2.66%

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

2.9%

INVENTORY

Total Inventory

33.4%

NEW LEASES

Excludes Renewals

21.2%

OP + CONCESSIONS

Market Share

3.2%

MARKETING TIME

Days on Market

7 days

NEGOTIABILITY

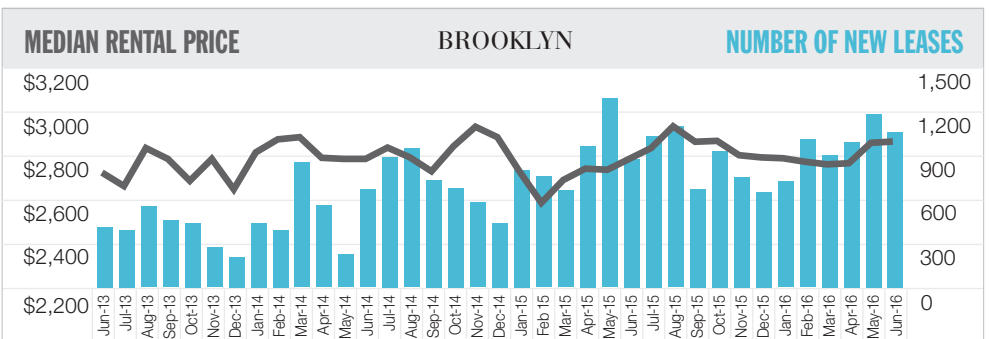
Listing Discount

0.1%

- Prices for overall and all size categories moved higher
- Marketing time fell despite more concessions
- Brooklyn median rent \$564 less than Manhattan median rent

Brooklyn Rental Market		JUN-16	%Δ (MO)	MAY-16	%Δ (YR)	JUN-15
Average Rental Price		\$3,218	2.7%	\$3,134	4.0%	\$3,095
Rental Price per Sq Ft		\$46.55	-0.6%	\$46.84	18.8%	\$39.20
Median Rental Price		\$2,880	0.2%	\$2,874	2.9%	\$2,800
Number of New Leases		1,063	-10.6%	1,189	21.2%	877
Days on Market (From Original List Date)		44	4.8%	42	-13.7%	51
Listing Discount (From Original List Price)		1.3%		1.1%		1.4%
Listing Inventory		2,309	14.5%	2,016	33.4%	1,731
Brooklyn Rental w/Concessions		JUN-16	%Δ (MO)	MAY-16	%Δ (YR)	JUN-15
Median Rental Price		\$2,858	0.5%	\$2,843	2.5%	\$2,787
Share of New Leases w/OP + Concessions (%)		6.2%		8.8%		3.0%
Free Rent/Owner Paid (Mos)		1.5	7.1%	1.4	-16.7%	1.8
Brooklyn Rental Market by Size		JUN-16	%Δ (MO)	MAY-16	%Δ (YR)	JUN-15
Studio -	Average Rental Price	\$2,306	3.3%	\$2,233	2.4%	\$2,252
	Rental Price per Sq Ft	\$55.01	3.3%	\$53.25	17.4%	\$46.86
	Median Rental Price	\$2,378	3.2%	\$2,304	9.4%	\$2,173
	Number of New Leases	161	-1.2%	163	62.6%	99
1-Bedroom -	Average Rental Price	\$2,778	1.0%	\$2,750	5.9%	\$2,623
	Rental Price per Sq Ft	\$48.90	1.0%	\$48.42	16.7%	\$41.89
	Median Rental Price	\$2,774	0.0%	\$2,775	8.2%	\$2,564
	Number of New Leases	408	-17.9%	497	22.5%	333
2-Bedroom -	Average Rental Price	\$3,470	0.4%	\$3,457	5.9%	\$3,276
	Rental Price per Sq Ft	\$44.54	-1.9%	\$45.39	20.6%	\$36.93
	Median Rental Price	\$3,267	2.4%	\$3,191	7.9%	\$3,028
	Number of New Leases	340	-10.1%	378	9.0%	312
3+ Bedroom -	Average Rental Price	\$4,781	4.9%	\$4,559	6.8%	\$4,476
	Rental Price per Sq Ft	\$43.79	-1.3%	\$44.37	19.5%	\$36.65
	Median Rental Price	\$3,864	-2.5%	\$3,964	11.7%	\$3,458
	Number of New Leases	154	2.0%	151	15.8%	133
Brooklyn Rental Market by Type		JUN-16	%Δ (MO)	MAY-16	%Δ (YR)	JUN-15
Luxury (Top 10%) - Median Rental Price		\$5,729	4.5%	\$5,481	6.8%	\$5,364
Luxury (Top 10%) - Entry Threshold		\$4,700	1.1%	\$4,650	5.9%	\$4,438
New Development - Median Rental Price		\$3,315	1.1%	\$3,278	2.2%	\$3,243

For the sixth consecutive month, Brooklyn median rent moved higher. Median rental price was \$2,880, up 2.9% from the same period a year ago. Average rental price showed a similar pattern, rising 4% to \$3,218 over the same period. Luxury median rental price, representing the top 10% of the Brooklyn market, increased 6.8% to \$5,729, outpacing the increase in the overall market. The luxury market threshold began at \$4,700 during June. The number of new leases jumped 21.2% to 1,063 while inventory surged 33.4% respectively from the same month last year. As a result of supply rising faster than demand, the pace of the market eased a bit, but from very fast conditions. The market share of landlord concessions more than



doubled to 6.2% from 3% over the same period. The average size of a landlord concession was 1.5 months of equivalent rent. Days on market fell 13.7% to 44 days and listing discount slipped a nominal 0.1% to 1.3% respectively from the same period a year ago.

NORTHWEST QUEENS RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

10.2%

INVENTORY

Total Inventory

27.6%

NEW LEASES

Excludes Renewals

106.5%

NEW DEVELOPMENT

Market Share

9.2%

MARKETING TIME

Days on Market

2 days

NEGOTIABILITY

Listing Discount

0.5%

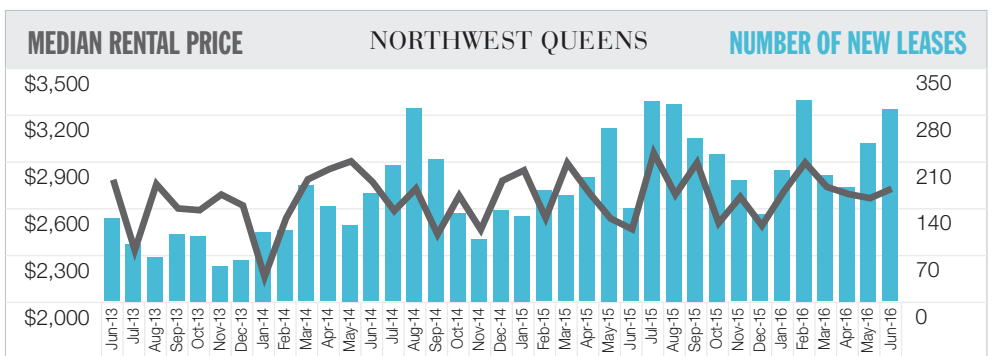
- Price trend indicators moved higher

- New leases and inventory surged

- Queens median rent was \$93 below Brooklyn median rent

Queens Rental Market		JUN-16	%Δ (MO)	MAY-16	%Δ (YR)	JUN-15
Average Rental Price		\$2,957	-4.6%	\$3,101	7.6%	\$2,749
Rental Price per Sq Ft		\$45.86	-3.0%	\$47.26	14.2%	\$40.15
Median Rental Price		\$2,787	2.2%	\$2,727	10.2%	\$2,528
Number of New Leases		287	21.1%	237	106.5%	139
Days on Market (From Original List Date)		34	-12.8%	39	-5.6%	36
Listing Discount (From Original List Price)		-0.2%		1.4%		0.3%
Listing Inventory		518	0.4%	516	27.6%	406
Queens Rental Market by Size		JUN-16	%Δ (MO)	MAY-16	%Δ (YR)	JUN-15
Studio -	Average Rental Price	\$2,378	-1.3%	\$2,410	1.3%	\$2,348
	Rental Price per Sq Ft	\$55.06	10.5%	\$49.81	0.4%	\$54.83
	Median Rental Price	\$2,476	0.0%	\$2,475	0.1%	\$2,474
	Number of New Leases	50	-18.0%	61	35.1%	37
1-Bedroom -	Average Rental Price	\$2,787	4.0%	\$2,680	12.2%	\$2,483
	Rental Price per Sq Ft	\$46.71	-1.6%	\$47.47	15.8%	\$40.32
	Median Rental Price	\$2,986	7.8%	\$2,771	31.1%	\$2,278
	Number of New Leases	161	67.7%	96	151.6%	64
2-Bedroom -	Average Rental Price	\$3,570	-5.1%	\$3,761	0.5%	\$3,554
	Rental Price per Sq Ft	\$43.25	-8.3%	\$47.16	7.5%	\$40.25
	Median Rental Price	\$3,400	-18.1%	\$4,150	-14.3%	\$3,966
	Number of New Leases	67	31.4%	51	91.4%	35
3+ Bedroom -	Average Rental Price	\$4,662	-2.6%	\$4,786	16.8%	\$3,990
	Rental Price per Sq Ft	\$39.92	-11.1%	\$44.88	11.3%	\$35.87
	Median Rental Price	\$3,700	-24.4%	\$4,895	8.2%	\$3,420
	Number of New Leases	9	-69.0%	29	200.0%	3
Queens Rental Market By Type		JUN-16	%Δ (MO)	MAY-16	%Δ (YR)	JUN-15
Luxury (Top 10%) - Median Rental Price		\$4,482	-9.7%	\$4,963	6.5%	\$4,207
Luxury (Top 10%) - Entry Threshold		\$3,540	-15.9%	\$4,210	-1.5%	\$3,595
New Development - Median Rental Price		\$3,141	-7.0%	\$2,916	-2.2%	\$3,212

Note: The Northwest Queens rental market analysis is comprised of transactions in the northwest region of the borough.



Rents continued to rise in Northwest Queens, which includes the neighborhoods of Long Island City, Astoria, Sunnyside and Woodside. Median rental price was \$2,787, up 10.2% from the same month last year. Average rental price moved 7.6% higher to \$2,957 over the same period. The 1-bedroom market was the most active with the largest gain in market share and rise in median sales price. The market share of new 1-bedroom leases grew 10.1% to 56.1% and the median rental price of 1-bedrooms jumped 31.1% to \$2,986 respectively from the

same month a year ago. The market share of new development fell 9.2% to 28.2% of all new leases over the same period. Listing discount followed the same pattern, falling from a nominal 0.3% to a premium of -0.2% and days on market averaged 34 days, down from 36 days respectively from the same month a year ago.

For more information or electronic copies of this report please visit elliman.com/marketreports. Email report author Jonathan Miller at jmiller@millersamuel.com with questions or comments.

Report Methodology:
<http://www.millersamuel.com/research-reports/methodology>

RENTAL DIVISION 212.891.7711 • elliman.com

DOUGLAS ELLIMAN REAL ESTATE 575 Madison Avenue, New York, NY 10022 • 212.891.7000

MILLER SAMUEL REAL ESTATE APPRAISERS 21 West 38th Street, New York, NY 10018 • 212.768.8100 • millersamuel.com

© 2016 DOUGLAS ELLIMAN REAL ESTATE. ALL MATERIAL PRESENTED HEREIN IS INTENDED FOR INFORMATION PURPOSES ONLY. WHILE THIS INFORMATION IS BELIEVED TO BE CORRECT, IT IS REPRESENTED SUBJECT TO ERRORS, OMISSIONS, CHANGES OR WITHDRAWAL WITHOUT NOTICE. ALL PROPERTY INFORMATION, INCLUDING, BUT NOT LIMITED TO SQUARE FOOTAGE, ROOM COUNT, NUMBER OF BEDROOMS AND THE SCHOOL DISTRICT IN PROPERTY LISTINGS ARE DEEMED RELIABLE, BUT SHOULD BE VERIFIED BY YOUR OWN ATTORNEY, ARCHITECT OR ZONING EXPERT. IF YOUR PROPERTY IS CURRENTLY LISTED WITH ANOTHER REAL ESTATE BROKER, PLEASE DISREGARD THIS OFFER. IT IS NOT OUR INTENTION TO SOLICIT THE OFFERINGS OF OTHER REAL ESTATE BROKERS. WE COOPERATE WITH THEM FULLY. ♻️ EQUAL HOUSING OPPORTUNITY.